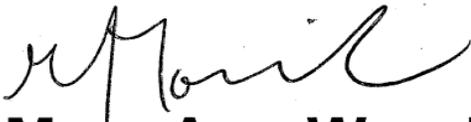


National Credit Union Administration



Operating Fund

***Financial Highlights
February 28, 2013***

for 
**Mary Ann Woodson
Chief Financial Officer**

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

FINANCIAL HIGHLIGHTS AS OF FEBRUARY 28, 2013

Balance Sheets

Cash and cash equivalents had a month-end balance of approximately \$28.1 million. Its balance decreased \$6.0 million in the month primarily for the payment of operating expenses. The cash position is considered to be sufficient to cover current and future obligations of the Fund.

Statements of Revenues, Expenses, and Changes in Fund Balance

Net income for the month was \$840,000 and net income year to date was \$2,515,000. Interest income on overnight investments has averaged 0.07% during the year, versus 0.06% during the same period last year.

Statements of Cash Flow

The cash position decreased \$6.0 million since last month. Operating activities generated the major portion of the net change in cash. Also, \$60,000 was invested in new capital assets and \$111,000 in cash was used to reduce or repay the NCUSIF note payable long-term liability, which has a balance of \$14.2 million on the balance sheet.

Budget (Year-to-Date)

Agency spending was under the year-to-date budget by \$7.6 million or 18.2 percent, compared to being under the year-to-date budget by approximately \$7.5 million or 19.1 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by \$2.1 million or 7.1%, travel was under budget by \$2.3 million or 49.3%, and the remaining expense categories combined were under budget by \$3.1 million or 46.9%.

The average annualized travel spend per FTE was \$11,926 this year, which is \$536 less than last year.

Vacancies

The Agency had 76 vacancies as of this month -- down 4 from the prior month. Of the 76 vacancies, 42 were in the central office and 34 were in the regions and AMAC. The 76 vacancies represent 6.0% percent of total authorized staff of 1,261.50.

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

BALANCE SHEETS

AS OF FEBRUARY 28, 2013 AND FEBRUARY 28, 2012

(Dollars in thousands)

	2/28/2013	1/31/2013	2/28/2012
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 28,139	\$ 34,121	\$ 24,033
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	-	-	-
EMPLOYEE ADVANCES	19	20	167
OTHER ACCOUNTS RECEIVABLE , Net	15,815	7,956	15,102
PREPAID EXPENSES AND OTHER ASSETS	1,017	964	1,275
ASSETS HELD FOR SALE	275	276	550
FIXED ASSETS — Net of accumulated depreciation of \$27,643 as of February 28, 2013	31,082	31,273	31,697
INTANGIBLE ASSETS — Net of accumulated amortization of \$11,190 as of February 28, 2013	<u>4,831</u>	<u>5,011</u>	<u>6,852</u>
TOTAL	<u>\$ 81,178</u>	<u>\$ 79,621</u>	<u>\$ 79,676</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	\$ 5,882	\$ 4,161	\$ 4,714
Obligations under capital leases	78	78	58
Accrued wages and benefits	11,079	11,972	10,348
Accrued annual leave	13,832	13,832	12,699
Accrued employee travel	-	-	-
Note payable to National Credit Union Share Insurance Fund	<u>14,192</u>	<u>14,303</u>	<u>15,533</u>
Total Liabilities	45,063	44,346	43,352
COMMITMENTS AND CONTINGENCIES			
FUND BALANCE	<u>36,115</u>	<u>35,275</u>	<u>36,324</u>
TOTAL	<u>\$ 81,178</u>	<u>\$ 79,621</u>	<u>\$ 79,676</u>

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE FOR THE PERIODS ENDED FEBRUARY 28, 2013 AND FEBRUARY 28, 2012 (Dollars in thousands)

	YEAR-TO-DATE		MONTH	
	2013	2012	2013	2012
REVENUES:				
Operating fees	\$ 15,612	\$ 14,841	\$ 7,806	\$ 7,421
Interest	4	3	2	2
Other	<u>304</u>	<u>229</u>	<u>164</u>	<u>164</u>
Total Revenues	15,920	15,073	7,972	7,587
EXPENSES, NET:				
Employee wages and benefits, net	11,056	10,508	5,155	5,080
Travel	909	937	692	802
Rent, communications, and utilities	216	256	189	149
Contracted services	547	602	591	431
Depreciation and amortization	859	955	432	479
Administrative	<u>(182)</u>	<u>(388)</u>	<u>73</u>	<u>(101)</u>
Total Expenses	<u>13,405</u>	<u>12,870</u>	<u>7,132</u>	<u>6,840</u>
EXCESS OF REVENUES OVER / (UNDER) EXPENSES	2,515	2,203	840	747
FUND BALANCE—Beginning of period	<u>33,600</u>	<u>34,121</u>	<u>35,275</u>	<u>35,577</u>
FUND BALANCE—End of period	<u>\$ 36,115</u>	<u>\$ 36,324</u>	<u>\$ 36,115</u>	<u>\$ 36,324</u>

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED FEBRUARY 28, 2013 AND FEBRUARY 28, 2012 (Dollars in thousands)

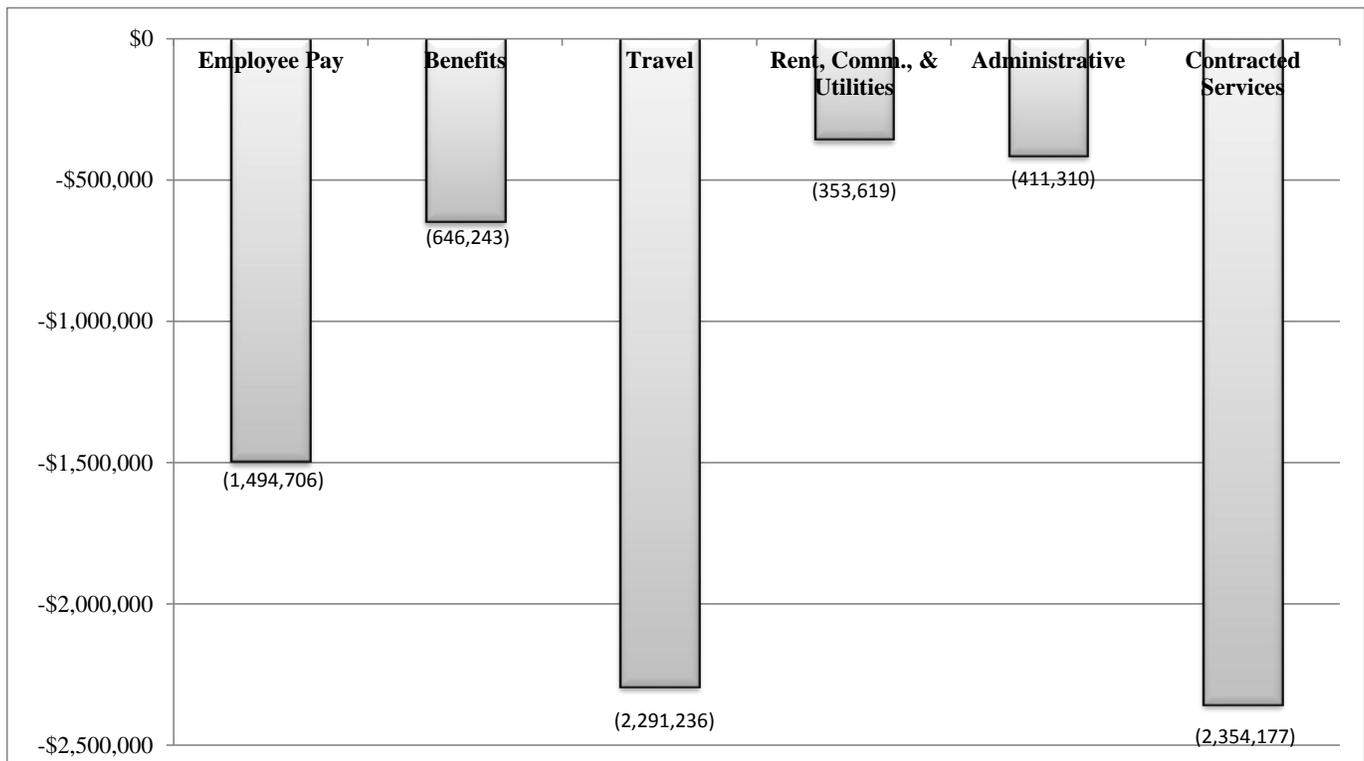
	YEAR-TO-DATE		MONTH	
	2013	2012	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess of revenues over expenses	\$ 2,515	\$ 2,203	\$ 840	\$ 747
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	859	955	432	479
Provision for loss on disposal of employee residences held for sale	-	-	-	-
(Gain) loss on fixed asset retirements	-	(3)	-	(3)
(Increase) decrease in assets:				
Due from National Credit Union Share Insurance Fund	2,040	1,182	-	-
Employee advances	6	(124)	1	(44)
Other accounts receivable	(15,604)	(14,217)	(7,859)	(7,082)
Prepaid expenses and other assets	38	(260)	(53)	(183)
(Decrease) increase in liabilities:				
Accounts payable	1,278	(2,360)	1,721	(1,112)
Accrued wages and benefits	901	1,053	(893)	(223)
Accrued annual leave	-	-	-	-
Accrued employee travel	(695)	(628)	-	-
Net cash used by operating activities	<u>(8,662)</u>	<u>(12,199)</u>	<u>(5,811)</u>	<u>(7,421)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of fixed and intangible assets	(75)	(399)	(60)	(513)
Proceeds from insurance on fixed assets	-	25	-	25
Purchases of employee residences held for sale	-	(153)	-	(153)
Proceeds from sale of employee residences held for sale	578	-	-	-
Net cash provided or (used) by investing activities	<u>503</u>	<u>(527)</u>	<u>(60)</u>	<u>(641)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayments of note payable to National Credit Union Share Insurance Fund	(223)	(223)	(111)	(111)
Principal payments under capital lease obligations	-	-	-	-
Net cash used by financing activities	<u>(223)</u>	<u>(223)</u>	<u>(111)</u>	<u>(111)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,382)	(12,949)	(5,982)	(8,173)
CASH AND CASH EQUIVALENTS—Beginning of period	<u>36,521</u>	<u>36,982</u>	<u>34,121</u>	<u>32,206</u>
CASH AND CASH EQUIVALENTS—End of period	<u>\$ 28,139</u>	<u>\$ 24,033</u>	<u>\$ 28,139</u>	<u>\$ 24,033</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES				
Acquisition of equipment under capital lease	\$ -	\$ -	\$ -	\$ -
Cash Payments for Interest	<u>\$ 42</u>	<u>\$ 57</u>	<u>\$ 20</u>	<u>\$ 30</u>

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

**YEAR-TO-DATE BUDGET REPORT ANALYSIS (BEFORE OVERHEAD TRANSFER RATE)
AS OF FEBRUARY 28, 2013 AND FEBRUARY 28, 2012**

	2013				2012			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
Employee Pay	22,041,768	20,547,062	(1,494,706)	-6.8%	21,211,234	20,449,878	(761,356)	-3.6%
Benefits	8,206,722	7,560,479	(646,243)	-7.9%	6,930,666	6,280,111	(650,555)	-9.4%
Travel	4,643,630	2,352,394	(2,291,236)	-49.3%	4,510,960	2,440,501	(2,070,459)	-45.9%
Rent, Comm., & Utilities	882,333	528,714	(353,619)	-40.1%	913,064	574,946	(338,118)	-37.0%
Administrative	2,068,945	1,657,635	(411,310)	-19.9%	2,243,199	489,933	(1,753,266)	-78.2%
Contracted Services	3,702,723	1,348,546	(2,354,177)	-63.6%	3,339,443	1,419,827	(1,919,616)	-57.5%
TOTAL	41,546,122	33,994,830	(7,551,292)	-18.2%	39,148,566	31,655,196	(7,493,370)	-19.1%

Amount Over (Under) Budget

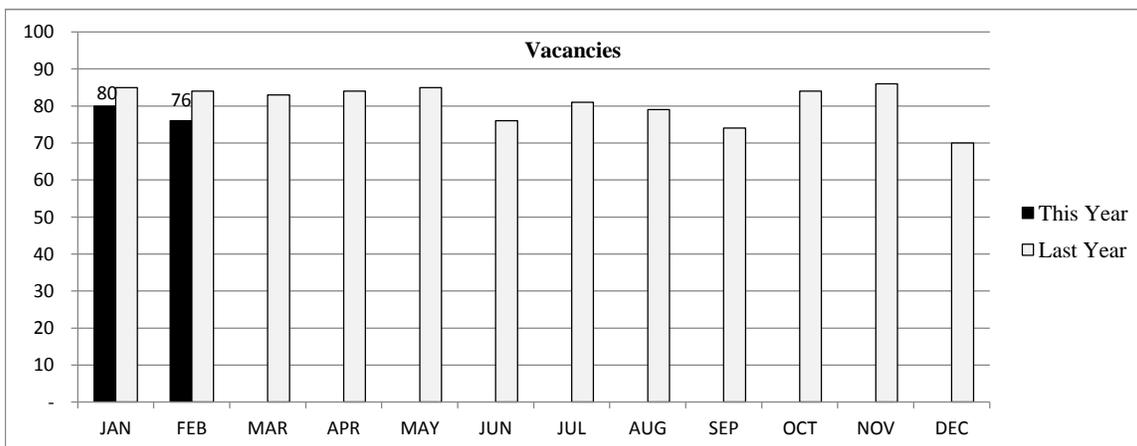
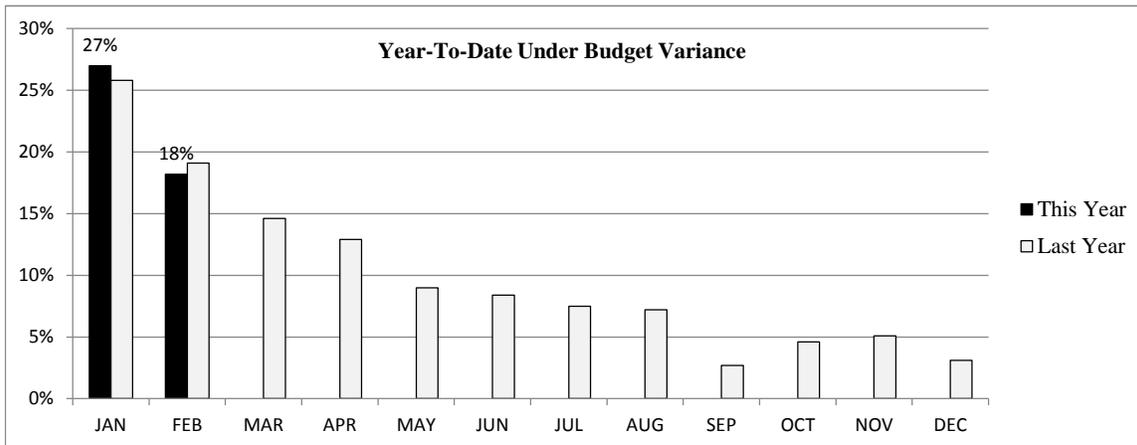
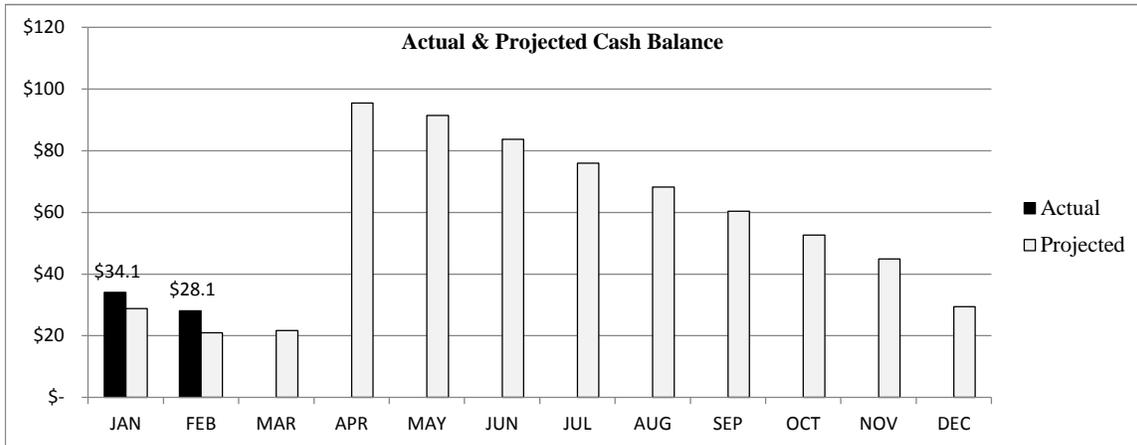


Budget amounts reflects mid-session adjustments.

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

GRAPHS AND RATIOS

AS OF FEBRUARY 28, 2013 AND FEBRUARY 28, 2012



	2/28/2013	2/28/2012
Retained earnings / Total assets	44.49%	45.59%
YTD interest income to average investments (annualized)	0.07%	0.06%
Annualized travel spend per employee	\$11,926	\$12,462
Net year to date cash inflow (outflow) in millions of dollars	(\$8)	(\$13)
Cash and overnight investments / Total assets	34.66%	30.16%
Overhead transfer rate	59.10%	59.30%